

Banked Leave Time Program (Rule 5-10.3)

Amendments Approved by the Civil Service Commission October 9, 2003, Effective Immediately

Under the amendments to Rule 5-10 (Paid Holidays and Leave), all nonexclusively represented employees (NEREs) will be required to participate in a banked leave time program, beginning October 12, 2003. The principal features of the banked leave time program are the following:

- A. **Pay Reduction.** NEREs will continue to work regular work schedules, but each employee's gross biweekly pay will be reduced by 4 hours of pay (for full-time employees) or 5 percent (for less than full-time employees). The reduction is applicable to all time reported in pay status, including paid work time, annual leave, sick leave, banked leave time, etc.
- B. **Banked Leave Time Hours.** For each one unpaid hour in pay status, the employee will receive credit for one hour of banked leave time. After banked leave time is earned, it may be used in the same manner as annual leave.

An employee may accumulate up to 104 hours of banked leave time. [Note that banked leave time is separate from, and in addition to, annual leave. Banked leave time and annual leave have *separate* hour counters and *separate* caps.]
- C. **Creditable Time.** All time in pay status for which an employee receives banked leave time (instead of pay) is considered creditable time for all purposes, including, for example, service hours for longevity, annual leave accruals, eligibility for benefits, continuous services for employment preference, eligibility for overtime, etc.
- D. **Use BLT First.** An employee must use all banked leave hours before taking any Plan A or Plan C hours in the Voluntary Work Schedule Adjustment Programs.
- E. **Unused Banked Leave Time Hours.** If an employee separates or retires from the classified service or dies while employed, the value of any unused banked leave time hours must be put into the employee's 401(K) plan account as a non-elective employer contribution. (If the IRS limit for the 401(K) plan has been reached, any excess will be placed in the employee's 457 plan account.) An employee cannot be paid cash for the unused banked leave time hours.

Amendments to Civil Service Rules: Banked Leave Time**Rule 5-10.3: Banked Leave Time Program****Rule 9-1: Definitions**

Approved October 9, 2003, effective immediately

[The text of Rule 5-10.3 and the definition of "Hours in Pay Status" are new]

5-10 Paid Holidays and Leave

5-10.1 Paid Holidays *[No Change]*

5-10.2 Paid Leave *[No Change]*

5-10.3 Banked Leave Time Program¹

(a) Eligibility.

Notwithstanding any other civil service rule or regulation, all employees in career appointments shall participate in the banked leave time program provided in this rule.

(b) Operation.

- (1) Work schedule and hours in pay status.** This rule does not alter an employee's work period, work schedule, or the requirement that each employee report all hours in pay status.
- (2) Reduction in pay.** Notwithstanding the number of hours in pay status, each employee's gross biweekly pay is reduced by an amount equal to one of the following:
 - (A) Reduction for full-time employees.** For employees in full-time appointments, the gross pay reduction is equal to 4 hours of pay, computed at the employee's base rate of pay.
 - (B) Reduction for less than full-time employees.** For employees in less than full-time appointments, the gross pay reduction is equal to 5 percent of the hours in pay status, but not exceeding 4 hours, at the employee's base rate of pay.

¹ Editor's Note: The banked leave time program is also referred to as "Part B of the Annual and Sick Leave Program."

- (3) **Conversion of unpaid time to banked leave time.** For each hour or partial hour in pay status that is unpaid as provided in subsection (b)(2), the employee is credited with an equal amount of banked leave time. An employee may accumulate a maximum of 104 banked leave hours.
- (4) **Use of banked leave time.** When approved by the appointing authority, an employee may use accumulated banked leave time in the same manner as provided in rule 5-10.2(b)(1) and the applicable regulations for the use of annual leave.
- (5) **Conversion of unused banked leave time.** If an employee separates or retires from the classified service or dies while employed in the classified service, the value of any unused banked leave time shall be contributed as a non-elective employer contribution to the employee's State of Michigan 401(K) plan account and, if applicable, to the State of Michigan 457 plan account.
- (A) **Value of contribution.** The amount of a contribution is the product of (1) the number of unused banked leave hours and (2) the employee's last rate of pay for annual leave at the time of separation, retirement, or death.
- (B) **Location of contribution.** A contribution is first made to the employee's State of Michigan 401(K) plan account. If a contribution, when combined with other projected contributions, would exceed the maximum allowed under §415 of the Internal Revenue Code, any excess is deposited in the employee's State of Michigan 457 plan account.
- (6) **Relation to other rules and regulations.**
- (A) **Insurance, leave accruals, and service credits.** Notwithstanding any other civil service rule or regulation or the fact that an employee's pay is reduced under subsection (b)(2), all time in pay status for which an employee receives banked leave time instead of pay is considered creditable time for all purposes, including, but not limited to, the following:
- (1) Satisfaction of the standard 80-hour biweekly work period for full-time employees [rule 5-2.1].
 - (2) Compliance with compensation schedules [rule 5-3].
 - (3) Eligibility for overtime compensation [rule 5-4.2].
 - (4) Computation of service hours for the following:
 - (a) Longevity [rule 5-8].
 - (b) Annual and personal leave [rule 5-10.2(a)(1)].
 - (c) School participation leave [rule 5-10.2(a)(2)].
 - (d) Sick leave [rule 5-10.2(a)(3)].

- (e) Holiday pay for less than full-time appointments [rule 5-10.1].
- (f) Completion of a probationary period [rule 3-6.2].
- (5) Eligibility for group insurance plans and benefit levels [rules 5-2.2 and 5-11].
- (6) Computation of total continuous service hours for all purposes, including, but not limited to, employment preference, layoff, recall, step increases, and, if authorized by statute, retirement.
- (B) **Not a break in service.** An employee does not incur a break in service as a result of participation in the banked leave time program.
- (C) **Voluntary work schedule adjustment plans.** An employee must use all banked leave time before incurring unpaid Plan A or Plan C hours under the voluntary work schedule adjustment plans [rule 5-2.3].
- (D) **Annual leave cap.** Banked leave time does not apply to the annual and personal leave maximum provided in rule 5-10.2(a)(1)(B).
- (c) **Effective dates.** The banked leave time program is in effect from October 12, 2003, to October 9, 2004, except that any banked leave time unused as of October 9, 2004, does not expire. After October 9, 2004, an employee may continue to use banked leave time as provided in subsection (b)(4). If, after October 9, 2004, an employee separates or retires from the classified service or dies with unused banked leave hours, the hours shall be treated as provided in subsection (b)(5).

9-1 Definitions

Unless the context clearly provides otherwise, the following terms in the civil service rules and regulations are defined as follows:

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Hours in Pay Status

Hours in pay status means the hours an employee reports that are counted in the pay class “HRS: Hours in Pay Status” as defined in HRMN system.
